



Kansas Sales Tax Guidelines for Conservation Districts

Prepared by State Conservation Commission – July 2008

Sales Tax Exemption for Conservation Districts

Tax-Exempt Entity Exemption Certificate, form PR-78KS.

- ⇒ Kansas law K.S.A. 79-3606(b) grants a sales tax exemption to conservation districts as Kansas political subdivisions on purchase, lease, or rental of tangible personal property (goods and merchandise), and the purchase of taxable services.
- ⇒ Issued by the Kansas Department of Revenue.
- ⇒ Contains district's name, address, and tax exemption number.
 - Photocopy certificate, complete, and present to vendor when making purchases as an exempt government agency.
 - If make repeated exempt purchases of the same type from the same vendor, not necessary to furnish an exemption certificate for each purchase.
- ⇒ The purchase must be:
 - A direct purchase.
 - § Conservation district check.
 - § Conservation district credit card.
 - Used exclusively for conservation district purposes, such as
 - § Office/educational supplies & equipment.
 - § Agricultural equipment to lease.
 - § Building materials and labor.
 - § Business related travel (lodging, meals).
 - § Food served at conservation district events.
 - § Conservation awards and door prizes.
 - § Telephone/cell phone service.
 - For more information see *Kansas Sales and Use Tax for Political Subdivisions* at www.ksrevenue.org/pdf/forms/pub1527.pdf.

Resale Exemption Certificate, form ST-28A.

- ⇒ To purchase goods for resale.
- ⇒ Must have a Kansas sales tax account number.
- ⇒ For more information see Resale Exemption Certificate Requirements in *Kansas Exemption Certificates* at www.ksrevenue.org/pdf/forms/pub1520.pdf.

Request for Project Exemption, form PR-76.

- ⇒ For a building project must complete and submit to the Kansas Department of Revenue.
- ⇒ If approved a project Exemption Certificate is issued.
- ⇒ For more information see Construction, Remodel, or Repair Projects in *Kansas Sales and Use Tax for Political Subdivisions* at www.ksrevenue.org/pdf/forms/pub1527.pdf.

Retail Sales and Services

Conservation District Law, K.S.A. 2-1908 (f) states, “to make available, on such terms as it shall prescribe, to land occupiers within the district, agricultural and engineering machinery an equipment, fertilizer, seeds, and seedlings, and such other material or equipment, as will assist such land occupiers to carry on operations upon their lands for the conservation of soil resources and for the prevention and control of soil erosion;”.

Conservation District Law, K.S.A. 2-1913 states, “Co-operation with another district. The supervisors of any two or more districts organized under the provisions of this act may co-operate with one another in the exercise of any or all powers conferred in this act.”

⇒ If conservation district sells or provides service to land occupiers outside of district must be agreeable with the other district.

If district sells goods or provide services must be registered with the Kansas Department of Revenue.

⇒ Assigned a sales tax account number.

⇒ Tax registration certificate is issued and must be displayed in a “conspicuous location.”

⇒ Kansas Retailers’ Sales Tax Return, form ST-16, must be completed even if all sales were tax exempt.

⇒ Sales tax rates may be obtained by entering zip code plus 4 at

<https://www.taxwatch.biz/cgi-win/Kansas/TxWstateSite.exe/ZipCodeEntry>

⇒ How often you file and pay sales tax is determined by the volume of your retail business.

⇒ For more information see Kansas Sales Tax and Compensating Use Tax at

www.ksrevenue.org/pdf/forms/pub1510.pdf.

*Cardinal Rule: All retail sales of goods and enumerated services are considered taxable services in Kansas, the sales receipt, invoice, or bill **MUST**:*

⇒ *show that the total amount of sales tax due was collected, **or***

⇒ *be accompanied by a completed exemption certificate.*

Sales Tax Exemptions for Agribusiness

Provide farmers, ranchers, and others that qualify a copy of the Agricultural Exemption Certificate, ST-28F, or have a stamp or printed certification statement on sales receipt/invoice to complete when sales tax exemption qualifies.

⇒ One completed exemption certificate may be used to cover multiple exempt transactions.

⇒ May be used for **up to three years** from the original date of issue.

⇒ District must keep all sales tax records, including exemption certificates, for current year of business and at least three prior years.

Farm Machinery and Equipment Purchased (or services).

⇒ The following are examples of items conservation districts sell or rent that are not subject to sales tax when used exclusively in farming or ranching:

- No-till planters, root plows, scrapers.
- Livestock feeding and watering equipment (portable), also includes concrete tank and freeze proof water tank.
- Irrigation equipment such as flowmeter, check valve, submersible pump and motors.

Soil Erosion Prevention.

⇒ The following are examples of items conservation districts sell or rent that are not subject to sales tax when used for soil erosion prevention on agricultural land:

- Grass/forbs seed sales.
- Tree sales.
- Grass drill/tree planter rental.
- Moisture barrier and staples.
- Drip irrigation pipe and components.

⇒ The following are examples of items conservation districts sell that sales tax must be collected (improvement to real property):

- Fencing materials.
- Underground plastic PVC pipe.
- Bentonite (well plugging).
- Infiltrator chambers.
- Grass seed for non-agriculture land.
- Trees to be planted on non-agriculture land.
- Drip irrigation parts to be used on non-agriculture land.

Marking Flags.

⇒ Most conservation districts provide marking flags as a courtesy to landowners when NRCS uses the flags in providing technical assistance.

⇒ May set policy to ask others for a “suggested donation” and not charge sales tax.

⇒ Document “donation” on sales receipt.

⇒ Do not report donations on Kansas Retailers’ Sales Tax Return, form ST-16.

⇒ Otherwise must collect sales tax.

For more information see Kansas Sales and Use Tax for the Agricultural Industry at www.ksrevenue.org/pdf/forms/pub1550.pdf.

Taxation Resources

Questions (clarifications) on a particular item not addressed in the law call a tax specialist at the Office of Policy and Research at 785.296.3081 or exemptcer@kdor.state.ks.us.

To request a written ruling mail or fax your request to: Office of Policy and Research,
Kansas Department of Revenue, 915 SW Harrison St., Topeka, KS 66625-0001
Fax: 785.296.7928.